

CITY OF HOUSTON, TEXAS
ENTERPRISE FUNDS
Water and Sewer System
Statements of Cash Flows
For the Years Ended June 30, 2000 and 1999
amounts expressed in thousands

	2000	1999
Cash flows from operating activities		
Operating income	\$ 124,934	\$ 133,544
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	212,846	190,205
Bad debt expense	1,000	740
Changes in assets and liabilities		
Accounts receivable, net	(50)	6,396
Due from other funds	(20,344)	(203)
Amounts held by other governments	-	2
Inventory	3,761	(3,077)
Accounts payable	(436)	16
Accrued payroll liabilities	489	19
Due to other funds	2,387	(4,661)
Advances and deposits	981	334
Construction and retainages payable	(6,882)	(34,814)
Claims for workers' compensation	291	(736)
Compensated absences	834	(25)
Accrued interest on contracts payable	(226)	(718)
Miscellaneous revenues	20,641	17,409
Net cash provided by (used for) operating activities	<u>340,226</u>	<u>304,431</u>
Cash flows from investing activities		
Interest income on investments	39,246	37,978
Purchase of investments	(7,081)	(52,702)
Proceeds from sale of investments	113,801	25,853
Collection of long-term receivables	-	2,491
Net cash provided by (used for) investing activities	<u>145,966</u>	<u>13,620</u>
Cash flows from capital and related financing activities		
Retirement of revenue bonds	(224,704)	(72,410)
Proceeds from issuance of revenue bonds, net of discount	219,445	231,427
Net proceeds from issuance of commercial paper	56,020	76,700
Interest expense on		
Revenue bonds	(147,113)	(137,194)
Contracts payable	(15,545)	(19,165)
Retirement of contractual obligations	(17,615)	(4,355)
Contributed capital	492	-
Acquisition of property, plant and equipment	(282,695)	(316,933)
Net cash provided by (used for) capital and related financing activities	<u>(411,715)</u>	<u>(241,930)</u>
Cash flows from noncapital financing activities		
Operating transfers to debt service fund	(34,044)	(37,883)
Operating transfers to other funds	(23,267)	(20,686)
Net cash provided by (used for) noncapital financing activities	<u>(57,311)</u>	<u>(58,569)</u>
Net increase (decrease) in cash and cash equivalents	17,166	17,552
Cash and cash equivalents, July 1	89,187	71,635
Unrestricted cash and cash equivalents, June 30	<u><u>\$ 106,353</u></u>	<u><u>\$ 89,187</u></u>
Non cash transactions		
Unrealized loss on investments	7,227	-
Loss on disposal of assets	4,047	4,863
	<u><u>\$ 18,501</u></u>	<u><u>\$ 4,863</u></u>